GOVERNMENT OF INDIA
COMMUNICATIONS AND INFORMATION TECHNOLOGY
LOK SABHA

UNSTARRED QUESTION NO:227
ANSWERED ON:02.03.2005
FINANCIAL HEALTH OF INDIAN TELEPHONE INDUSTRIES
Kharventhan Shri Salarapatty Kuppusamy

Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

(a) whether the Government is aware that the financial health of the Indian Telephone Industries (ITIs) is in bad shape;

(b) if so, the facts thereof;

(c) whether the Government proposes to grant any financial assistance to the ailing ITIs;

(d) if so, the details thereof; and

(e) if not, the reasons therefor?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (DR. SHAKEEL AHMAD)

(a) Yes, Sir.

(b) M/S ITI has incurred losses of Rs.375 crore during 2002-03 and Rs.697 crore during 2003-04. The net worth of the Company as on 31.3.2004 became negative Rs.587 crore. M/s ITI Ltd. have been referred to BIFR and registered vide BIFR letter No.3(1-7)/BC/2004 dated 14th October, 2004.

(c) Yes, Sir.

(d) & (e): The Government has taken steps for the revival of M/s ITI Limited. The Cabinet Committee on Economic Affairs (CCEA) has approved in December, 2004 a financial package of Rs.1001.53 crore (Rs.801.53 crore for the year 2004-05 and Rs.200 crore for the year 2005-06) for the revival of ITI Limited.